



CHRIS GABRIELI
CHAIRMAN

The Commonwealth of Massachusetts
Springfield Finance Control Board
436 Dwight St.
Springfield, MA 01103

August 28, 2007

Leslie A. Kirwan, Secretary
Executive Office for Administration and Finance
State House, Room 373
Boston, MA 02133

The Honorable Therese Murray, Chair
Senate Committee on Ways and Means
Commonwealth of Massachusetts
State House, Room 212
Boston, MA 02133

The Honorable Robert A. DeLeo, Chair
House Committee on Ways and Means
Commonwealth of Massachusetts
State House, Room 243
Boston, MA 02133

Dear Secretary Kirwan, Chairperson Murray and Chairperson DeLeo:

Pursuant to sections 2 and 9(a) of Chapter 169 of the Acts of 2004 (the "Act"), I am presenting this report to update the Legislature on the activities and expenses of the Springfield Finance Control Board since its last report. The Board has continued its commitment to encourage fiscal responsibility and accountability in the City of Springfield. During the 4th quarter of Fiscal Year 2007, the Board took the following specific steps to restore the City's financial health.

FY08 Budget

The Control Board unanimously adopted a balanced budget for Fiscal Year 2008. As was the case for Fiscal Year 2007, this budget does not contain a structural deficit. Unlike prior budgets, however, it relies only on recurring revenues to fund recurring expenses; reserves and "one-shot" revenues are not used to support the operations of the City of Springfield during Fiscal Year 2008.

The Fiscal Year 2008 budget was developed in a manner consistent with the Control Board's financial policies for the City and continues important investments in the community. As described below, the budget also funds CitiStat – the second such program in Massachusetts – a grants management office, and the potential development of a civilian dispatch center. The budget provides for a \$2.5 million increase in the Police Department budget and a \$1.9 million increase in funding for the Fire Department. Included in these amounts are the re-opening of the Massreco Fire Station and hiring the first class of police recruits in approximately a decade.

CitiStat

As part of the Fiscal Year 2008 budget, the Control Board funded the creation of a CitiStat office for the City of Springfield. Modeled on successful programs in Baltimore, Syracuse, Buffalo and Somerville, this office will analyze municipal operations to increase efficiency and effectiveness of service delivery. The City and Control Board have made many improvements over the past three years, but are confident that CitiStat will create additional financial savings and service improvements for the taxpayers of the City. By way of comparison, CitiStat saved the City of Baltimore more than \$13 million in its first full year of operation; CitiStat saved Syracuse an estimated \$14 million in its first year in operation in that city.

Putnam Vocational Technical High School

The City and Control Board are working with the Massachusetts School Building Authority (MSBA) to select a firm to design the new Putnam Vocational Technical High School. The Control Board and MSBA have developed a strong working relationship; Springfield was the first community to be audited under the new MSBA regulations and will conduct the first project under the new MSBA regulations. The City and Control Board are also analyzing the possible use of the construction-manager-at-risk building technique to improve the quality of the school building and to reduce construction costs.

Parking

The Control Board has continued to work with the Springfield Parking Authority to assign to the Authority the responsibility for managing the City's on-street parking services. This would greatly improve coordination between on-street and off-street parking, which would allow a better utilization of both resources. Central management of parking resources is also expected to increase the City's parking revenue through better rate setting and significantly improved parking enforcement activities.

Reorganization: Treasurer/Collector's Office

The City and Control Board are entering into negotiations with the union representing clerical workers in the Treasurer/Collector's Office to reorganize the department. This re-organization will create a "front office" and a "back office" to allow employees to specialize in different functions. Currently, all employees provide direct customer service and answer telephone calls; this reduces efficiency and prevents analytical processes from being completed in a timely manner. Completion of this re-organization will improve efficiency and customer service and will allow the City to reconcile its financial books in a much more expeditious manner.

Capital Management

Working with the Control Board, the City has hired its first capital analyst. This employee is professionally trained and is dedicated to analyzing the City's capital needs and assisting in the development of a comprehensive multi-year capital improvement plan (CIP). When complete, the CIP will provide the City and its residents with a multi-year planning document that will ensure capital projects are appropriately planned for, communicated to impacted neighbors and are properly sequenced to ensure that capital projects do not conflict with or negatively impact each other, the public or public safety.

Better Government Competition

On June 26, 2007, Mayor Charles Ryan and the Control Board were awarded the 2007 Municipal Leadership Award by the Pioneer Institute, an independent, non-partisan public policy research organization located in Boston. The award was presented to Mayor Ryan and the Control Board due to their “efforts to reform [Springfield’s] finances, administration, public safety and schools,” and to recognize “tremendous progress and innovation in municipal operations.”

New Control Board

The first meeting of the new Springfield Finance Control Board was conducted on June 28, 2007. The Board elected as its chair Chris Gabrieli, Co-Founder and Chair of Massachusetts 2020 and a Senior Partner with Bessemer Venture Partners. He is joined on the Board by Robert Nunes, Deputy Commissioner of the Department of Revenue and the former Mayor of Taunton, and by Attorney James Morton, President and CEO of the YMCA of Greater Springfield.

Control Board Expenditures

Details of the expenditures of the Board for the 4th quarter of Fiscal Year 2007 are shown in the table below. This table reflects expenses processed through the Commonwealth’s accounting system as of June 30, 2007.

Personnel Services	\$ 175,018.91
Equipment & Administrative	\$ 15,065.00
Contracted Services	\$ 186,041.95
Total	\$ 376,125.86

Sincerely,

Stephen P. Lisauskas
Executive Director
Springfield Finance Control Board